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CONTENTS

I. United States strategic interests in South Asia.

II. Appraisal of the foreign policies of the South Asian countries.

III. Frictions and tensions in South Asia.

IV. Tendencies toward anti-Westernism.

V. Effects of international and internal communism in South Asia on the achievement of United States objectives.

VI. The attitudes of South Asian and peripheral countries toward negotiation of a peace treaty with Japan.

VII. United Nations problems.

VIII. The need for and possibilities of economic development in South Asia.

IX. Problems of international trade.

X. Problems of agrarian reform.

XI. Labor problems, with reference to United States political objectives.

XII. Information and educational programs.

XI . Administrative problems.

United States strategic interests in South Asia

A. CONCLUSIONS

1. The most effective military defense of South Asia would require strong flanks. Turkey, Iran and Pakistan are of primary importance on the west and Indochina on the east.

2. Pakistan could provide important ground forces now, for use in South Asia or on the western flank. It would, therefore, be useful to the United States and the United Kingdom to bring about an early build-up of Pakistani ground forces assisted by the provision of military equipment to Pakistan.

3. India also could provide important ground forces. However, unless its foreign policy changes, India will not give the free world military assistance in war. In the event of war, initially India will probably attempt to maintain a posture of neutrality. If its policy should change prior to war, it would be useful to provide military aid to India on terms similar to those reached with Pakistan. Indeed, offer of such aid to India, and acceptance of similar aid by Pakistan, might spark a change in Indian policy and provide a stimulus which in the long term would bring great benefits to the free world from India's military potential, raw materials, industrial output, manpower, and communications facilities.

4. The potentialities of Pakistan and India as sources of ground troops could be realized only after an easing of Indo-Pakistan tension through a settlement of the Kashmir issue or by other means, or through assurances adequate to both countries against attack by the other.

5. India might be utilized to produce military supplies for the West during the cold war. Initiation on our part of action to bring this about might be one of the best means of securing India's ultimate alignment with the West.

6. Ceylon and Pakistan contain a number of bases, particularly air and naval bases, which could make an important contribution to the military operations of the free world from the outset of war.

7.

7. Raw materials and products from India and other South Asian countries may be severely restricted or eventually cut off during the course of war.

8. Although Afghanistan is weak militarily, it occupies a position of strategic importance; in the event of war, it would be to our advantage to have Afghanistan neutral initially but determined to resist Soviet invasion.

9. In addition to whatever military grant aid may be furnished, the Conference endorses the existing policy of providing non-grant military assistance to South Asian countries under section 408E of the Mutual Defense Assistance Act.

10. If the United States Government considers that its policies in Indochina and the Far East in general promote our national security, we should not be swayed from carrying out these policies by criticism on the part of the South Asian countries.

B. RECOMMENDATIONS

1. We should take every feasible military and political step to build up the strength of the western and eastern flanks of the South Asian area. For the short term, this can best be effected by increasing military strength in Pakistan, Iran and Turkey on the west, and in Indochina on the east.

2. The United States military authorities should consider on an urgent basis the desirability of the United States entering into an early understanding with Pakistan which would provide for equipping and building up Pakistan's military forces and insure the availability of Pakistani ground forces on the western flank at the outset of war.

3. A similar understanding should be offered India if the latter is willing to accept the same commitments with regard to the utilization of its forces on the western flank or elsewhere.

4. If a Middle Eastern* pact should be developed which includes Iran, Pakistan should be offered membership. Such action, however, should not delay the understanding with Pakistan proposed in recommendation number 2 above.

5.

* The term "Middle East" as employed herein refers to the area comprising Greece, Turkey, Iran, the Arab states, and Israel.

5. Consultation should be undertaken with the United Kingdom with respect to recommendations 2, 3, and 4 before entering into consultations with Pakistan or India.

6. For both political and military reasons, we should promptly initiate, if feasible, steps to develop India and Pakistan as sources of military supplies.

7. The United Kingdom should be urged to bring the air and naval bases and communications facilities in Ceylon to a higher state of readiness for war operations, and to accelerate development of Ceylon's military forces.

8. We should seek to obtain increased amounts of raw materials from South Asia in light of the fact that South Asian sources of supply may be cut off in time of war.

9. Should Afghanistan request military aid, we should consider offering assistance similar to that given to other South Asian countries, limiting any aid to those items required for internal security.

10. We should consider India as a worthwhile long-term risk from a military standpoint, and endeavor through non-pressure methods to insure its friendship and ultimate support.

II. SECRET

Appraisal of the foreign policies of the South Asian countries

A. CONCLUSIONS

1. The foreign policies of the South Asian countries are concentrated upon the problems arising from regional tensions to the exclusion of an active realization of threatening world catastrophe.

2. The foreign policy of India dominates the area. An important aspect of that policy is India's diminishing interest in supporting the maintenance of peace by collective action, despite the fact that India is presently incapable of defending itself against determined communist aggression. India shuts its eyes to the imminence of communist danger.

3. The position of Afghanistan as a buffer state against direct Soviet aggression from the north can be strengthened appreciably by removal of the Pushtunistan issue.

4. Pakistan is willing to make a significant contribution to the defense of the Middle East provided its fear of Indian attack can be removed.

B. RECOMMENDATIONS

1. We should make stronger efforts to minimize the importance of regional differences in South Asia by stressing the national and international threat of Soviet imperialism.

2. In view of India's foreign policy, which seeks to build a neutral third force both by attacking the West, in which it partially follows the Cominform line, and by placating the Soviet Union and Communist China, the United States should maintain a policy of patience built on firmness in its relations with the Government of India. However, whenever Indian Government policy has the effect of undermining maintenance of peace through collective security, the United States should challenge it vigorously, both at home and abroad through the press, radio, and other media, but always avoiding the appearance of moral or political expediency.

3. In view of India's ambitions for political hegemony, its advocacy of a doctrine of appeasement, and its tendencies toward abandoning support of the principle of collective security, the United States should not at this time encourage the formation of a South Asian regional bloc, since such an organization might come under India's domination.

4. In view of Pakistan's conviction that it is not able to come to the defense of the Middle East in the event of communist aggression, unless Pakistan has been guaranteed against attack from India, the United States and the United Kingdom, as the two powers most immediately responsible for the defense of the Middle East, should discuss urgently the possibility of giving Pakistan assurances with respect to such an attack by India.

5. In the light of Pakistan's present orientation to the West and its active cooperation with the countries of the Middle East, the United States should encourage Pakistan's participation in problems common to the Middle East, and its orientation toward Turkey. In addition, the United States should consult more intimately with the Government of Pakistan on questions of common interest in the Middle East.

6. Consultations between the United States, and the Government of India and the Government of Pakistan should be developed further, subject to the judgment of the Chiefs of Mission, to bring about a closer cooperation between the United States and the two Governments, and a more realistic appreciation on the part of India of the danger which confronts it from communism.

7. We should suggest to Governments associated with us in the North Atlantic Pact and the Hemisphere Defense Pact that they instruct their diplomatic and consular representatives in South Asia and elsewhere, and their representatives to the United Nations, to point out on every appropriate occasion to the officials of the Governments of Middle Eastern and Asian countries the fallacious basis of the present foreign policies of India, and the dangers to Asia and to world peace inherent in those policies. These representatives should also be instructed, in their discussions with officials anywhere throughout the world, to attempt to win them over to the point of view that aggression by international communism wherever it occurs must be opposed.

8.

8. A diplomatic office should be established in Nepal, and a Chargé should be appointed to provide the United States with first-hand information on the Nepalese situation, thereby removing our present dependence on British and Indian observers. Such an office might have unexpected usefulness in the event of war, provided India and Nepal were not participants therein.

9. Economic assistance to the countries of South Asia offers the best means presently available of achieving or strengthening their orientation toward the West, since it demonstrates that the Western powers are not imperialistic.

III. SECRET

Frictions and tensions in South Asia

Indo-Pakistan disputes

A. CONCLUSIONS

1. The conclusion of the trade agreement between India and Pakistan, including acceptance by India of the present value of the Pakistan rupee, should lessen materially the degree of tension between the two countries.

2. Kashmir remains the central and most acute issue between India and Pakistan.

3. The Security Council should remain seized of the Kashmir issue. The United States should not take the lead either within or without the Security Council in attempting to settle the Kashmir problem.

B. RECOMMENDATIONS

1. The United States should maintain the position that the United Kingdom continue to take the lead in pressing for a settlement of the Kashmir dispute.

2. The United States and United Kingdom jointly should press to a vote the present Kashmir resolution before the Security Council, even though one or both parties state they will not accept it and will not cooperate in its implementation. If, during discussion in the Security Council, it becomes evident that modification of the resolution will make it more acceptable to both parties without material loss of the resolution's strength, such modification should be accepted by the United States if it is also accepted by the United Kingdom, but the sponsors should guard against being placed in a negotiating position with the parties.

3. If the United Nations representative provided for under the resolution should report failure, and one or both of the parties refuse to accept arbitration, the United States should look to the United Kingdom for leadership as to the next step which should be taken in connection with the dispute.

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The Afghanistan-Pakistan dispute

A. CONCLUSIONS

1. The present condition of political unrest along the Afghan-Pakistan border, and the propaganda campaign and mutual distrust between the two Governments contribute to the instability of South Asia and increase the vulnerability of that area to penetration by international communism.

2. The dispute is not, however, of such a character as to warrant that the United States take the lead in insisting on its prompt settlement.

3. Settlement of the Pushtunistan issue will only flow from mutual agreement between the parties, and it is doubtful that the attitudes of the two Governments are such as to lead to the belief that such mutual agreement is possible at an early date.

4. If Pakistan should fail to reply favorably to the United States' proffer of good offices, the United States should not consider itself obligated to take further action in the matter for the time being, although it might find it advantageous to discuss with the United Kingdom and India further steps which might be taken to end the dispute, including the feasibility of efforts by the United Kingdom to persuade Pakistan to submit the question of the status of the Durand Line to an international tribunal.

B. RECOMMENDATIONS

1. The United States should press Pakistan once more for a definitive reply to its proffer of good offices made on November 6, 1950. Pakistan should be informed that the United States cannot remain indefinitely in the position of extending its good offices, and that therefore failure on Pakistan's part to make a definitive reply by April 1 will be construed by the United States as a rejection of its offer. The United States would in this circumstance immediately after April 1 make a public announcement that its offer of good offices is being withdrawn. The United States should make no further explanations or approaches on this matter.

2.

2. The United States should not make any explicit statements, either now or later, with regard to the validity of the Durand Line, or give any secret assurances thereon. If Pakistan should fail to give an affirmative answer to the present proposals of the United States looking towards settlement of the dispute, the latter should not feel compelled to take any further steps in the matter with the parties in the near future.

3. If, after examination of the Afghan brief on the subject of the Durand Line, it should appear useful to do so, the United States should approach India with respect to its interpretation of the Afghanistan-United Kingdom treaty of 1921 and Afghanistan's obligations thereunder. If such an approach should provide a favorable opportunity, the United States should endeavor to approach Afghanistan to obtain termination of its propagandizing for Pushtunistan and its attacks on Pakistan on that subject.

IV. SECRET

Tendencies toward anti-Westernism

A. CONCLUSIONS

1. Virulent and widespread anti-Westernism is found in South Asia primarily in India and should be systematically attacked. However, only limited success can be achieved in combatting color and race prejudice, important elements in anti-Westernism. Envy of Western accomplishments and resources is another aspect of anti-Westernism which cannot easily be removed. In addition, lack of interest in India on the part of Western nations has offended the Indians and has thereby encouraged anti-Westernism in India.

2. American support of the activities of the Western powers in Asia, and specifically our present support of French policy in Indo-China, has been bitterly attacked by some countries in South Asia, and this support has lent substance to the charge throughout South Asia that the United States favors imperialism, colonialism, and racialism, all elements of anti-Westernism.

3. Technical assistance and grant aid programs can serve as effective means of combatting anti-Westernism.

B. RECOMMENDATIONS

1. Those aspects of anti-Westernism springing from color and race prejudice should be combatted by maintaining the present volume of counter-propaganda through an information and cultural approach which admits the existence of a color problem in the United States but points out clearly that we are doing something about it. It was further recommended that American official establishments abroad, particularly in South Asia, should, with the concurrence of the principal officer, have on their staffs a few additional American negroes, as recommended by the South Asian Regional Foreign Service Conference held in New Delhi in April, 1949.

2. The prevailing feelings of envy over Western accomplishments and resources common among Asian nationals should not be aggravated by tactless presentation of our more fortunate position.

3. Active steps should be taken to counter charges of a lack of interest on the part of the United States in the countries of South Asia, particularly India, by fostering in the United States an understanding of South Asian life and problems through such media as art exhibits, cultural societies, and the press.

4. Charges of United States support for imperialism and colonialism in Asia should be attacked through a carefully formulated public relations program. This program should include a systematic and well-planned stepping up of friendly discussions with influential individuals and groups in South Asia, such as labor organizations, as well as with the "grass roots". Discussions of this character should be carried out by all members of Foreign Service establishments, and by qualified members of the American community. Moreover, private institutions, i.e., the Rockefeller Foundation and American schools and colleges, should be encouraged to undertake educational and humanitarian activities of a nature which could usefully supplement, or, under certain political conditions, supersede those of United States official agencies.

5. A determined and better-documented effort should be made, through diplomatic and informational channels, to convince the peoples and Governments of the South Asian countries that the French have passed the "point of no return" in Indo-China; that the inhabitants thereof are achieving independence as did those of the subcontinent; but that the Indo-Chinese must unfortunately contend with communist-led aggression sustained by a neighboring communist power. In this connection, it should be made clear to the South Asian states that the United States would not be supporting Franco-Vietnamese policies in Indo-China if it thought such support meant a survival of colonialism in Asia. To this end, the Department and the United States missions in Indo-China should furnish timely material to our missions in South Asia.

6. The Western allies, particularly the United States, United Kingdom, France, and Canada, should avoid both overt and covert attempts to discredit one another locally in Asia.

7. Since technical assistance and grant aid programs constitute effective means of demonstrating that the Western powers are not imperialistic, such programs should be instituted. Care must be exercised, however, in carrying out such programs so as to avoid antagonizing the recipient countries.

8.

8. In the preparatory work on our policies in the Far East and in Southeast Asia, and in the implementation thereof, the United States Government should carefully consider the impact of such policies on South Asia. This consideration, however, should not deter us from pursuing policies which are in our vital interest.

V. SECRET

Effects of international and internal communism in South Asia on the achievement of United States objectives

A. CONCLUSIONS

1. Local communists in various countries of South Asia, particularly in India, represent a dangerous threat to the security of that region. Since the communists in India in particular, although relatively not numerous, are well organized in many communities, and are able to attract much non-communist support, they should therefore be considered an active threat to the security of India.

2. International communism, including communist recruits in the countries of South Asia, is meeting with considerable success in its efforts to prevent the realization of United States policies in South Asia. The influence of international communism is gradually increasing, especially in India, particularly among intellectuals and those classes or groups whose social and economic position is undergoing change or whose habits and outlook are being altered as a result of the profound political, economic, and social developments which are taking place in the country.

3. The United States is handicapped in its struggle with international communism in South Asia because the campaign of the United States is carried out for the most part through governmental agencies, the activities of which must necessarily be circumscribed. On the other hand, the campaign of international communism is carried on by nationals of the countries of South Asia, acting either individually or through organizations, and therefore the campaign is not limited in scope as is that of a government.

4. Among the allies of international communism in South Asia are the prejudices of the South Asian peoples against the Western world, based on their belief that the latter is colonialistic and imperialistic, and on their jealousies of the West, which arise from color differences and from the fact that the West is superior in wealth, power, and technology. After discussing the advantages and disadvantages of the possible issuance of a statement by the President or some other high official of the American Government setting forth the position of the United States

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with regard to colonialism or imperialism, the conferees concluded that such action would be unwise at the present time. However, it was concluded that we should continue, as heretofore, on every appropriate occasion at lower levels to explain the United States position with regard to colonialism and imperialism.

B. RECOMMENDATIONS

1. All American officials and employees in South Asia should continue to improve their knowledge of the ideological aspects of the struggle with international communism and of the aggressive tactics and intentions of particular communist governments, and should continue to make contacts with nationals of the countries in which they are stationed for the purpose of obtaining a better understanding of, and wider support for, the objectives and policies of the United States.

2. Foreign Service establishments of the United States in South Asia should continue in their efforts to achieve a better understanding among representative American nationals in South Asia of the policies of the United States, and to enlist the aid of such nationals in explaining these policies and obtaining support therefor among the South Asian peoples.

3. The activities of the USIE should be broadened and strengthened in the South Asian countries. Among its specific activities which should be enlarged is the practice of sending for brief visits to the South Asian countries outstanding leaders in various walks of American life who are believed to have both an understanding of the area and the tact to influence South Asian leaders and groups, particularly in India, in favor of the policies of the United States.

4. To supplement the overt activities carried on through USIE and other sections of American Foreign Service establishments in South Asia, covert steps should be taken to assist individual nationals and groups within South Asian countries to expose the duplicity, hypocrisy, and aggressiveness of international communism, and to support United States efforts to discourage communist aggression.

5. Programs of economic aid, both through Point Four and through grant assistance, constitute the one approach most likely to succeed in convincing the Governments and people of South Asia that the United States is genuinely interested in their welfare, and thereby in bringing them closer to the West and drawing them away from communist influence.

VI. SECRET

The attitudes of South Asian and peripheral countries toward negotiation of a peace treaty with Japan

A. CONCLUSIONS

1. Philippines: Emphasis was laid upon Philippine determination to recover reparations, which the Philippines estimate at 8 billion pesos ($4 million), for losses and destruction suffered during the Japanese occupation. Mr. Dulles' efforts to dissuade the Philippines from pressing for these unrealistic claims have had only a moderating effect upon Philippine official and public determination to press for that compensation which they consider their just due. However, since the United States can count on Philippine support on important matters of international policy, and since President Quirino has expressed his private view that the reparations question can be resolved in overall economic agreements, this question is not a vital issue, and the United States can expect basic support for its policy toward Japan.

2. Indonesia: Indonesia appears to favor a peace treaty which would restore Japanese sovereignty. Despite the Japanese occupation, the Indonesians feel a certain community of Asian interest with Japan. Moreover, they are interested in profitable trade relations with Japan, and recently concluded a trade treaty therewith. An official Indonesian spokesman has urged close relations with Japan, stating that once a peace treaty was concluded, it might be expected that Japan should be permitted armed forces necessary for its defense. However, while advocating a peace treaty, Indonesia appears concerned about the conditions which the United States might demand in the way of bases, occupation forces, etc., and particularly about continuance of United States military interest in Japan, in the sense of making it a bastion against Communist China, which they believe might provoke a Far Eastern conflict. They are believed to favor a discussion of all Japanese treaty issues initially by a conference of the major powers, including Communist China.

3. Indo-China: The Indo-Chinese desire to develop closer relations with the Japanese in order to offset French influence, and the French accordingly fear direct trade relations between Indo-China and Japan. However,

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both Vietnam and the French would probably support United States proposals for a Japanese peace treaty.

4. Thailand: Thailand would probably endorse whole-heartedly the United States position on a Japanese peace treaty.

5. Burma: Although Burma has thus far failed to make its views known, it would probably feel that it must participate in whatever kind of peace settlement is decided upon. For political reasons, Burma would probably also request reparations.

6. Pakistan: On the Japanese treaty question, Pakistan defers to India, because prior to partition, the Government of India handled this subject for what is now India and Pakistan. However, Pakistan is believed to favor the United States position on a Japanese peace treaty. At present it is enjoying profitable trade relations with Japan, and there is a Japanese trade mission now in Karachi.

7. Ceylon: Ceylon is believed to support the United States position on a Japanese peace treaty, but would like to participate in such a treaty. Ceylon has particularly friendly feelings towards Japan, and is anxious to purchase as much as possible from Japan.

8. Afghanistan: Although Afghanistan has not yet made its policy clear, its attitude will probably be influenced by its proximity to the Soviet Union and Communist China.

9. India: India's attitude toward the United States position with respect to Japan is neither balanced nor objective. It appears motivated primarily by India's opposition to colonialism, its antipathy for Western imperialism, its recognition of the so-called facts of Far Eastern life, and its belief in the non-aggressive character of international communism. Evidence of these motivating influences may be found in India's reply to the seven-point memorandum on tentative United States policy of November 24, 1950. First, India wishes to include Communist China among the treaty participants. Second, it desires Formosa and the Pescadores to be turned over to Communist China immediately, without awaiting a peace treaty. Third, disposition of South Sakhalin and the Kuriles was decided at Yalta, they are now occupied by the Soviet Union, and the matter should not be reopened. Fourth, India acquiesces in a United

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States trusteeship for the Ryukyus and the Bonins but believes the question of their return to Japan should be considered by the peace conference. Fifth, Japan should be demilitarized and its security guaranteed by the United Nations; however, India would support a small Japanese force for internal security purposes. Sixth, India agrees in general with the United States regarding United Nations membership for Japan, and on questions of trade and reparations, although it has raised some questions regarding external assets.

Prime Minister Nehru recently informed our Ambassador of his views along the following lines. There can be no general Far Eastern settlement without a solution of the Japanese problem. If the United States should undertake to restore Japan's military power, both the Soviet Union and Communist China would be convinced that Japan was being prepared as a base of operations against them. Therefore the rearming of Japan would be likely to provoke war rather than to contribute to a peaceful atmosphere, and the best solution would be for the United Nations to guarantee Japan against aggression. Although it might be advisable to permit Japan to have sufficient arms to defend itself until the United Nations had time to come to its assistance in case it should be the victim of aggression, neither Russia nor Communist China would attack Japan if the latter were protected by a United Nations guarantee, since neither country desired war. Nehru reiterated his conviction that Russia and Communist China would not risk a world war by deliberately upsetting a Far Eastern settlement calling for an unarmed, neutralized Japan.

10. Since negotiations are in process for final determination of a definitive treaty with Japan, and since they are being considered at the highest policy level, it was decided that the competence of the Conference to make conclusions or recommendations did not go beyond recording the foregoing views.

VII. SECRET

United Nations problems

A. CONCLUSIONS

1. The conduct and policies of the South Asian countries in the United Nations generally reflect their respective views and estimates of world politics and of the causes of world tension. India attempts to steer an aloof course between what it conceives to be two power blocs. Pakistan and Afghanistan side more frequently with the Western group of nations than does India, but they increasingly believe that the United Nations is paralyzed by great power antagonisms.

2. While India considers the United Nations a useful platform from which to advance its views, it does not appear to regard it as an effective instrument for collective security or for settlement of disputes among major powers, nor does it appear to desire it to be such an instrument. India considers the United Nations as dominated and controlled by the United States in the interest of promoting American policies. There is little present opportunity for the United States to alter these conceptions in advance of fundamental changes in Indian foreign policy or leadership.

3. Participation of South Asian countries, especially India and Pakistan, in the various organs of the United Nations is extensive, active, and generally responsible. The contacts which South Asian leaders make with opinions and leaders of the Western world at Lake Success sometimes generate a current of opinion among them in advance of that of the countries they represent, and more favorable to our policies. Both the domestic and foreign attitudes of the South Asian countries are sometimes influenced because of their participation in the United Nations.

4. We cannot at this time expect India or Afghanistan to make any significant contribution to the United Nations effort in Korea, and they will probably make only a nominal contribution, eventually, to relief and rehabilitation.

5. Pakistan would probably contribute troops for Korea in the event of the removal of tensions centering on the Kashmir dispute.

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6. Settlement of the Kashmir dispute in the United Nations without some fundamental alteration in the positions of the opposing parties is virtually impossible.

7. In view of the opposition of the Soviet bloc, there appears to be no possibility at present that Ceylon or Nepal can be admitted into the United Nations.

B. RECOMMENDATIONS

1. In conformity with our overall relations with India, our policy toward India in the United Nations should continue to be firm and friendly, and, in our approach to specific problems, consideration of the personal sensitivities of Prime Minister Nehru should be subordinated. We should also suggest to governments who maintain friendly association with us that they inform their diplomatic representatives at Lake Success of the fallacious basis of the present foreign policies of India, and of the dangers to South Asia and to world peace inherent in those policies.

2. Every effort should be made to guard against the division of the United Nations into opposing Asian and Western blocs. Specifically, we should be more active in opposing Nehru's efforts to create a neutral bloc among the Asian and Arab states.

3. We should lose no opportunity afforded by the United Nations organization and proceedings to demonstrate to India, and, to a lesser extent, to other South Asian countries, that:

(a) The United Nations is the keystone of our policies, and should be the keystone of their policies, in the struggle against aggression, which is their own struggle as it is that of free people everywhere;

(b) With their help, the United Nations can function more effectively as an instrument for collective security and not, as some South Asian states are inclined to consider it, as an arena for two contending power blocs.

4. Whether or not the Kashmir dispute is settled, we should keep alive the question of Pakistan sending a contingent of troops to Korea. In this connection, we should keep before the Pakistani people and Government the example of Turkey and the enhanced position in world opinion produced by its participation in the collective effort in Korea.

5.

5. At such time as the Kashmir dispute appears susceptible of solution, whether or not as a result of direct United States or British intercession with the parties, the United States, in conjunction with and under the leadership of the United Kingdom, should promote a formula whereby the solution will be consummated through the United Nations.

6. We should continue to hold prior consultation with the South Asian countries whenever possible on matters before the United Nations.

7. While India's leadership and policies continue along the present lines, and unless we stand to gain advantages of overriding importance, we should refrain from action in the United Nations which would assist in promoting a regional organization in South Asia, which would probably come under Indian domination.

VIII. SECRET

The need for and possibilities of economic development in South Asia

Economic aid

A. CONCLUSIONS

1. Grant aid programs, which would include integrated technical assistance and would be related to present and possible future loans, would be of great benefit in South Asia for political purposes. They would vitiate existing hostility and resentment against the United States, which is accused of lack of interest and concern with the area. They would also increase the stability of deteriorating economies which now provide fertile ground for communist pressures.

2. Aid to date has been in the form of foodgrains and technical assistance under the Point Four program. The proposed foodgrain program for India, including the generation of counterpart in substantial amounts, would be of great value in assisting economic development.

B. RECOMMENDATIONS

1. In view of the magnitude of the economic problems of South Asia, and the limitations on the availability of material and technical aid from the United States, the focus of grant aid programs should be upon internal stimulation of economic development, as a means of giving hope to the peoples of South Asia.

2. United States grant aid programs should be instituted in each South Asian country which desires grant aid; should be organized on a bilateral rather than a multilateral basis; and should vary in scope and character in accordance with the needs of each individual country. Operation of the programs must take into account the sensitivities and weaknesses of the governments of the area. In view of the latters' limitations, operations on a joint basis where possible may be most effective.

3. In the case of countries in a strong financial position, where grants are made for political reasons only, technical assistance projects should constitute a

large

large proportion of the aid. Moreover, a country which has the ability to repay should attempt to satisfy its needs to the maximum extent possible through international loans before seeking any more grant aid than the United States regards as necessary for political purposes.

4. Aid programs should integrate economic grant aid with technical assistance to the maximum extent feasible through a single mission in each country under the general supervision of the Ambassador.

5. At the earliest appropriate time, consultations should be held with the recipient governments concerning our contemplated aid programs.

6. In the execution of aid programs, special attention should be paid to increasing the production of materials needed by the United States, and to facilitating the purchase of such materials by the United States. Assistance to the countries concerned in obtaining priorities for any equipment necessary to such production should be extended.

7. Bilateral aid programs should be coordinated with other assistance programs such as those of the United Nations and the Commonwealth, and such coordination can be most effectively carried out on a country basis. The United States should remain a member of the Consultative Committee for the Economic Development of South and Southeast Asia on the basis that this Committee confines its activities to those of a discussion and advisory group.

8. Political benefits would result from publicizing the inter-relationship of American aid programs with those from other sources.

9. Aid program budgets which are released to the public should be consolidated to the extent possible into a general Asian program, to minimize unfavorable comparisons between countries.

Technical assistance programs

A. CONCLUSIONS

1. It is important that technical assistance programs be continued and be merged with future economic

programs.

programs. This result would be achieved if the United States Government should decide to assign to a single agency responsibility for both economic aid and technical assistance.

2. It is important that any change in agency responsibility for technical assistance should not interfere with the carrying out of commitments already undertaken, and that no impetus be lost while existing Point Four programs are being adapted for integration with aid programs.

B. RECOMMENDATIONS

1. Technical assistance programs on a bilateral basis should be continued and merged with economic development programs when they come into existence.

2. In the event of organizational changes in Washington, existing commitments should be carried out and every effort should be made to maintain accumulated momentum. In the meantime, delays in processing technical experts under Point Four should be overcome.

3. The execution and supervision of technical assistance and economic aid programs should be carried on by a single mission in each country under the general supervision of the Ambassador.

4. In view of impending economic aid programs, the appointment of additional technical cooperation officers should be suspended, and our embassies should continue to carry out their present responsibility for screening Point Four requests. The economic sections of the embassies should be strengthened immediately.

5. The United States should continue to contribute to and support United Nations technical assistance activities.

6. The present liaison relationship with the Colombo Plan Council for Technical Cooperation should be continued.

IX. SECRET

Problems of international trade

A. CONCLUSIONS

1. During the emergency period, the primary aim of trade promotion activities must be to increase the production and export of materials needed for the defense efforts of the United States, including assistance in the field of marketing.

2. Continued collection of information on economic conditions in South Asia is essential not only for defense planning in the United States, but also for private traders, who need current information on changing trade conditions.

3. A favorable attitude is evident in South Asian countries toward increasing the supply of raw materials to Japan, particularly in exchange for capital equipment needed to produce and transport such materials. In some cases Japan and the United States are competitors for scarce materials from the South Asian area.

4. While South Asian countries may seek to follow barter tactics in the allocation of their exports, it is in the interest of the United States to refuse to enter into barter deals, and instead to stress the principle that each side do its utmost to supply materials needed by the other. In the event that South Asian countries refuse to cooperate, the United States Government will be forced to regard South Asian requests less favorably.

5. South Asian Governments need considerable assistance in programming their requirements, and careful screening of their requirements statements by United States Foreign Service posts is essential. However, the present staffing at key posts in the area is inadequate to meet the additional burdens being placed upon them.

6. South Asian countries are cooperating to a certain extent with United States security export controls, but they do not cooperate fully because their foreign policies, particularly with regard to China, differ from our own. However, the trade of South Asian countries with the Soviet bloc is not considered at present to prejudice the overall national security of the United

States

States in such manner as to warrant drastic action on our part at this time. Close attention, however, should continue to be given to this subject.

7. Except for Pakistan, the South Asian countries have generally shown a disposition to participate in the work of the international commodities groups set up to handle the allocation of scarce materials. India has shown no interest in being included in the central organization, and it may become desirable to arouse Indian interest in such participation if the central organization is expanded to include a Latin American member.

8. In planning their production programs for materials needed by the United States, it would be useful for governments in the South Asian area to be provided with target figures for their areas based upon the overall requirements of the United States. In order that such target figures may be realistic, however, it is essential that they be worked out in consultation with the Foreign Service posts concerned.

B. RECOMMENDATIONS

1. Consideration should be given to sending from the United States to the South Asian area experts in the collection, grading, and shipment of specific strategic commodities required by the United States.

2. Efforts should be made to encourage the production in, and export from, the South Asian area of materials needed by Japan, if consistent with the United States overall defense program.

3. The United States policy on the supply of essential materials needed by South Asian countries, and required by the United States from South Asian countries, should be on the basis that each side will meet the needs of the other to the best of its ability in the light of mutual sacrifices and the needs of all free nations; that bargaining for specific commodity exchanges be avoided; and that, if necessary, South Asian Governments be so informed.

4. United States Foreign Service staffs in the South Asian area should be increased to take care of the many additional duties resulting from the defense effort in the fields of foreign requirements, export controls, and procurement of materials.

5.

5. Vigilance should be continued to detect transshipment or re-export of United States strategic materials, and advantage should be taken of suitable occasions to press the governments of the South Asian countries for export controls of strategic commodities more in line with our own.

6. The United States should not at present press for the inclusion of a South Asian country in the Central International Allocating Committee, but should reconsider this question if requested to do so by a South Asian country or if the Committee is expanded.

7. Import requirement targets should be established by the United States for strategic commodities from the South Asian area, and these targets should be communicated when appropriate to the governments of the area.

A. SECRET

Problems of agrarian reform

A. CONCLUSIONS

1. Since at least 85 per cent of the population in South Asia derives its income directly or indirectly from agriculture, political stability depends to a considerable extent upon the economic and social well-being of this group and in general upon the ownership of land by the tiller.

2. Since a large proportion of cultivators are tenants, owners of uneconomic holdings and landless laborers whose living standards are among the lowest in the world, they are as a group vulnerable to communist slogans and propaganda.

3. While a beginning has been made in land tenure reform, in the application of modern science and technology, in cooperative and regulated marketing, and in the improvement of credit facilities, these and other agricultural institutions and techniques remain, for the most part, primitive or only slightly developed.

4. Since the United States and the United Nations have established the policy of encouraging agrarian reform in underdeveloped countries as a means of improving the standard of living and thereby creating conditions for political stability, aid programs may appropriately be used in furthering this policy.

5. Since large landowners should be compensated for their lands when the latter are transferred to cultivators, it would be desirable for local governments, in such cases, to provide for the profitable investment of these funds in the economic development programs of their countries.

B. RECOMMENDATIONS

1. Measures taken by South Asian governments to enable tillers to become owners of the land should, where appropriate, be given sympathetic encouragement in cases where adequate compensation is guaranteed to those whose land is expropriated and where the governments can provide such compensation without endangering their own financial stability.

2.

2. Governmental and cooperative efforts to effect consolidation of fragmented farms into more economic units should be encouraged by all appropriate means.

3. In granting economic development assistance, particular consideration should be given to the encouragement of agricultural extension through demonstration projects and their use as training centers.

4. Aid should be given to governmental efforts in improving rural credit and marketing facilities; in increasing agricultural water resources; and in soil conservation and reforestation.

5. Assistance programs should include encouragement of studies relating to agrarian reform, farm management, village industries, and other aspects of rural welfare.

6. Aid funds should not be used for direct compensation to landowners for expropriated land.

7. Our informational activities should include descriptive contrasts between the commendable type of land reform which is being undertaken with due regard to property rights, and those types which have deluded the rural people of Soviet-dominated areas.

XI. SECRET

Labor problems, with reference to United States political objectives

A. CONCLUSIONS

1. The Conference concluded that labor is of major and increasing political importance in most of the countries of South Asia. The worldwide cleavage between the free world and the communist world has its counterpart in India, Ceylon, and Pakistan, where both the World Federation of Trade Unions and the International Confederation of Free Trade Unions are represented by powerful adherents. In many of these countries, trade unions are closely tied to political parties, giving them their main if not their only mass basis of support.

2. The Conference reviewed with satisfaction the progress made by the ICFTU during the past year, and was particularly impressed by the fact that, unlike previous international trade union movements, the ICFTU had deliberately and effectively sought to gain the support of trade unions in the South Asian area, notably in the decision of the ICFTU to establish an Asian Labor College in Ceylon, and by the establishment of a regional office in Singapore. In these developments, the role of American labor both within and without the ICFTU has been of the highest importance.

3. Despite the recommendations of the Foreign Service Conference in New Delhi in 1949 that the United States Government facilitate the exchange of labor leaders and specialists, and provide technical assistance in trade union organizations and in workers' education, and despite the obvious importance of labor in South Asia, the total impact of the United States Government in this field has been only a slight one. The conferees concluded that the recommendations made at New Delhi were in general still valid and should be implemented.

B. RECOMMENDATIONS

1. The exchange-of-persons program should be stepped up in the labor field. In execution of the program, there should be a departure from traditional procedures which will take into account the political

realities

realities of the labor movement in South Asia, the need for special handling of trade union leaders, and the special knowledge of the labor attaché.

2. There should be frequent meetings, on a country or regional basis, of Foreign Service personnel engaged in labor activities.

3. All Foreign Service personnel should be indoctrinated on the delicacy of their relations with the ICFTU and the American federations. While there should be close cooperation between our missions and these organizations, the freedom of action of the latter should be carefully preserved and any impression that they are under the tutelage of the United States Government should be avoided.

4. A program should also be developed which would be directed at both native and American management, in order to develop better labor relations. In particular, the labor practices and attitudes of Western corporations are a matter of significance.

5. In addition to urging the American labor federations to assign personnel to the area on a more or less permanent basis, it is urged that the AFL and the CIO send high-ranking officials on brief tours of perhaps one or two months, particularly to India. However, care should be taken to avoid conflict or competition with ICFTU activities in South Asia.

6. The United States labor information program should be expanded, although a typical American propaganda program would be inappropriate in the labor field because of the political and ideological tensions which exist in South Asia. The substance and development of a labor information program should be made the joint responsibility of the labor attachés, or labor reporting officers where no labor attachés exist, and the appropriate USIE officers.

7. Full consideration should be given to labor and social problems in the execution of economic and technical assistance programs.

XII. SECRET

Information and educational programs

A. CONCLUSIONS

1. The task of the USIE is to advance the foreign policy of the United States, giving particular attention to the psychological impact of a given policy on the government and the people of the area concerned, both in the presentation and the implementation of such policy.

2. The immediate primary objective of the program in South Asia is to orient the governments and people of the area toward the United States and the free world and away from the Soviet Union and international communism.

3. More specifically, our objectives should be:

(a) To develop confidence among the leaders and people of the area in our motives and intentions;

(b) To demonstrate the importance and effectiveness of democratic values and methods in the achievement of the social, economic, and cultural goals desired by the people of the area;

(c) To create a genuine understanding among the people of the area that communist imperialism and materialism constitute a serious menace to the achievement of their own aims.

4. The advantages of maintaining the information and educational program in the Department of State outweigh the advantages that may be expected from placing the program in a separate agency, in view of the difficulties of maintaining adequate departmental coordination and of the need for the United States Government to speak with one voice in foreign countries.

B. RECOMMENDATIONS

1. In the light of present world conditions, acceleration of the activities and tempo of the USIE program is of high importance to the successful conduct of United States foreign policy in South Asia.

2.

2. While emphasis placed upon target groups varies from country to country in South Asia, in general the primary groups whom we should try to reach are the policy-makers and opinion-molders. The literate public and the masses in the cities and in the villages, although of lesser priority, should be reached to the degree feasible.

3. In developing our informational approach, the USIE should stress the mutual interests of South Asian countries and the United States in the following:

(a) Maintenance of national freedom;

(b) Maintenance of characteristic indigenous cultures;

(c) Maintenance of peace, security, and freedom from external aggression;

(d) The development of social and economic progress;

(e) The development of democracy.

4. American economic programs such as Point Four aid and foodgrain relief should be skillfully exploited by USIE to convince South Asians of the interest of the United States in the welfare of the people of this area.

5. The USIE program should be strengthened by a close coordination between USIE staffs and other American officials engaged in the implementation of foreign policy, particularly in such fields as labor, agriculture, Point Four, economic assistance, and social welfare.

6. The success of the program requires greater collaboration by USIE staffs with indigenous groups and individuals who can assist in the campaign of truth. This is particularly true in the present situation because public opinion and basic attitudes make difficult the carrying out of effective propaganda by Americans alone.

7. Greater emphasis should be given to production and adaptation of information materials in the field to insure their local appeal.

8. Effective propaganda in the South Asian area requires diverse types of products, some of which should be directed toward sophisticated individuals and others, in very simple and graphic form, should be aimed at

persons

persons of lesser understanding. Appropriate use of emotional appeals should be made.

9. USIE products should avoid ostentation, a patronizing tone, boastfulness, and undue emphasis on material prosperity which creates envy.

10. In developing the campaign of truth in South Asia, full consideration should be given by the Bombay USIE Conference to elaboration of practical programs such as:

(a) More effective utilization of local personnel to broaden contacts with indigenous groups;

(b) The increased use of local writers and artists, particularly in the production of pamphlets, posters, radio, and films, to make a better appeal to the local population;

(c) A greatly stepped-up use of mobile film units and distribution of films and other materials through other channels, including central and local governments and the military;

(d) The rapid establishment of branch information centers, especially in India and Pakistan;

(e) A rapid extension of library book circulation by mail, and the increased use of mobile libraries.

11. The USIE Conference at Bombay should explore the desirability of a regional production center in South Asia; alternative ways of handling local production and its coordination with the Department; and the relation of the South Asian needs to the Manila production center.

12. Efforts should be made by the Department to secure the rights to republish in English appropriate American books for sale or distribution in South Asia.

13. Specially tailored Voice of America radio programs in English, Hindi, Urdu, the Dravidian languages, and Bengali should be inaugurated at the earliest possible moment for South Asia, utilizing the Ceylon relay.

14. The educational exchange program should be carefully coordinated by the Public Affairs Officers with the informational program. An increase in the

leader-specialist

leader-specialist type of program can contribute greatly to short-run USIE objectives.

15. An increased flow of information to the American public concerning the peoples and culture of the South Asian countries should be stimulated.

16. The recommendations embodied in other sections of the Conference report which relate to informational and cultural problems should be related to the foregoing and implemented as suggested.

XIII. RESTRICTED

Administrative problems

RECOMMENDATIONS

1. The Chief of Mission should be given more latitude in deciding who should be included in the diplomatic list, and personnel should not be granted new titles without the concurrence of the Chief of Mission.

2. All candidates entering the Foreign Service under Section 517 should be compelled to undergo an appropriate written examination.

3. In order to eliminate persons obviously unfit for the Foreign Service, it is recommended that, to the extent possible, each candidate for entry into the Foreign Service should be required to undergo a personal interview as a prerequisite to taking the written and oral examinations.

4. In the interests of efficiency, an effort should be made to induce the American personnel serving at most the hardship posts to accept three-year assignments, and, as an incentive, they should receive additional leaves of absence and possibly additional in-grade promotions.

5. Prior to their departure from the United States, all service attachés should be fully briefed by officers of the Department of State as to their responsibilities to the Chief of Mission.

6. Airgrams pertaining to assignments and transfers should be unclassified. This is particularly important with respect to representatives of other Departments.